

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

EA-06 FRB-01 INR-05 IO-10 NEA-06 NSAE-00 RSC-01

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-01 SIL-01 SWF-01

OMB-01 STR-01 L-02 H-01 PA-01 PRS-01 USIA-06 FEAE-00

AGR-05 /082 W

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R 191912Z NOV 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 5842

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS

USMISSION OECD PARIS

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 15145

E.O. 11652: XGDS1

TAGS: EGEN, EEC, UK

SUBJECT: UK VIEWS ON THE EC SUMMIT

REF: LONDON 14995

SUMMARY: MANY OF THE IDEAS REGARDING EC INSTITUTIONAL
DEVELOPMENT THAT HAVE BEEN ADVANCED FOR CONSIDERATION
AT THE EC SUMMIT ARE "NOT WELCOME" TO THE UK. THE
BRITISH DO NOT OBJECT TO THEM FOR SUBSTANTIVE REASONS,
BUT BECAUSE THEY POSE DOMESTIC POLITICAL PROBLEMS IN
RELATION TO RENEGOTIATION. AMONG IDEAS THAT MIGHT BE
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ACCEPTABLE ARE A POLITICAL SECRETARIAT, MOVES TO BRING

EC POLITICAL COOPERATION AND THE EC COUNCIL MACHINERY CLOSER TOGETHER, AND HOLDING OCCASIONAL COUNCIL MEETINGS AT THE HEADS OF GOVERNMENT LEVEL. THE BRITISH DO NOT CONSIDER THAT THE DISCUSSIONS OF SUBSTANTIVE ISSUES AT THE SUMMIT (INFLATION, UNEMPLOYMENT, ENERGY) WILL BE VERY CONCLUSIVE. THEY ARE NOT PRESSING FOR THE ESTABLISHMENT OF AN EC REGIONAL FUND AT THIS TIME. THE BRITISH WILL INSIST THAT EC RENEGOTIATION IS INCLUDED IN THE SUMMIT AGENDA, AND WILL TRY TO MAKE PROGRESS ON THE EC BUDGET ISSUE . END SUMMARY

1. ON NOVEMBER 18 WE REVIEWED THE UK'S APPROACH TO THE EC SUMMIT WITH JOHN FRETWELL, HEAD, EUROPEAN INTEGRATION (INTERNAL) DEPARTMENT, FCO.

2. FRETWELL SAID THAT IF HE WERE A BETTING MAN, HE WOULD GIVE FOUR-TO-ONE ODDS THAT THE SUMMIT WILL TAKE PLACE. HE DOUBTS THAT THE FRENCH WILL CANCEL IT NOW THAT INVITATIONS HAVE BEEN ISSUED. THE DATES OF DECEMBER 9-10 HAVE BEEN SET ASIDE PROVISIONALLY FOR THE MEETING.

3. MOST OF THE IDEAS THAT HAVE BEEN ADVANCED FOR THE INSTITUTIONAL DEVELOPMENT OF THE COMMUNITY ARE "NOT WELCOME" FROM THE BRITISH POINT OF VIEW, FRETWELL SAID. THIS IS NOT BECAUSE OF THEIR SUBSTANCE -- WHICH WOULD NOT HAVE BEEN OBJECTIONABLE TO THE HEATH GOVERNMENT, AND MIGHT NOT BE TO A LABOUR GOVERNMENT IN THE FUTURE -- BUT BECAUSE THEY POSE DOMESTIC POLITICAL PROBLEMS FOR EC RENEGOTIATION.

4' THE IDEA OF DIRECT ELECTIONS TO THE EUROPEAN PARLIAMENT IS "VERY DIFFICULT" FOR THE LABOUR PARTY WHICH HAS REFUSED TO SEND A DELEGATION TO STRASBOURG. GREATER USE OF MAJORITY VOTING IN THE COUNCIL WOULD GIVE WEIGHT TO THE CLAIMS OF ANTI-MARKETEERS THAT THE SOVEREIGNTY OF THE HOUSE OF COMMONS IS DRAINING AWAY TO THE COMMUNITY INSTITUTIONS. GIVING MORE POWER TO THE EC COMMISSION IS "HIGHLY UNPOPULAR" IN THOSE LABOUR PARTY CIRCLES WHICH CONSIDER INTERFERENCE BY BRUSSELS

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BUREAUCRATS TO BE ONE OF THE MAIN DRAWBACKS OF EC MEMBERSHIP. ANY EXPLICIT REFERENCES TO "EUROPEAN UNION" WOULD ALSO CAUSE PROBLEMS FOR THE LABOUR LEADERSHIP.

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C O N F I D E N T I A L SECTION 02 OF 02 LONDON 15145

5. ACCORDING TO FRETWELL, SOME OF THE INSTITUTIONAL INITIATIVES THAT ARE UNDER CONSIDERATION WOULD BE ACCEPTABLE TO THE UK. ONE IS THE CREATION OF A SECRETARIAT FOR THE EC POLITICAL COOPERATION MACHINERY WHICH COULD ALSO PREPARE FOR PERIODIC SUMMITS. ANOTHER IS SOME MOVE THAT WOULD BRING THE POLITICAL COOPERATION MACHINERY AND THE EC COUNCIL MACHINERY CLOSER TOGETHER-- FOR EXAMPLE, HOLDING POLITICAL COOPERATION MEETINGS IN BRUSSELS AND ALLOWING THE COUNCIL SECRETARIAT TO SERVICE THEM. A THIRD IS THE IDEA OF OCCASIONAL EC COUNCIL MEETINGS AT THE HEAD OF GOVERNMENT LEVEL.

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6. AS FOR THE SUBSTANTIVE TOPICS UNDER CONSIDERATION FOR THE SUMMIT, FRETWELL SAID THAT PREPARATIONS HAVE NOT ADVANCED VERY FAR. THE COMMISSION HAS DONE A PAPER ON ENERGY, UNEMPLOYMENT AND INFLATION WHICH IS "TOO LONG AND TOO TURGID" TO BE OF MUCH USE. UNDER ENERGY, THERE IS BOUND TO BE A DISCUSSION OF THE FRENCH PROPOSAL FOR A CONSUMER, PRODUCER CONFERENCE, FRENCH PARTICIPATION IN THE IEA, AND A COMMON EC ENERGY POLICY, BUT FRETWELL DOUBTS THIS DISCUSSION WILL BE VERY CONCLUSIVE.

7. AS FOR REGIONAL POLICY, THE BRITISH DO NOT SHARE THE ITALIAN AND IRISH SENSE OF URGENCY ABOUT SETTING UP A REGIONAL DEVELOPMENT FUND. THEY WANT TO GIVE FIRST PRIORITY TO SETTLING THE EC BUDGET QUESTION IN RE-NEGOTIATION. THE UK IS MAKING IT CLEAR THAT THE ESTABLISHMENT OF A REGIONAL FUND WOULD NOT BE A SOLUTION TO THE BUDGET PROBLEM.

8. ACCORDING TO FRETWELL, THE UK WILL INSIST THAT RE-NEGOTIATION IS INCLUDED AS AN AGENDA ITEM AT THE SUMMIT. HE EXPECTS THAT THE UK WILL RAISE THE EC BUDGET ISSUE, WHICH HE DOUBTS WILL BE SETTLED AT THE DECEMBER 2-3 COUNCIL. FRETWELL DESCRIBED THE STATE-OF-PLAY ON THE BUDGET ALONG THE SAME LINES AS MICHAEL BUTLER DID IN OUR CONVERSATION WITH HIM LAST WEEK (SEE REFTTEL).

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